GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:640
ANSWERED ON:05.03.2002
ITDC HOTELS IN DELHI
BRAHMANAND MANDAL;C. SREENIVAASAN;M.H. AMBAREESH

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether eight hotels of the India Tourism Development Corporation (ITDC) situated in Delhi have been disinvested;

(b) if so, the details in this regard and the reasons therefor separately;

(c) the present status of all the proposals; and

(d) the details of the amount received against that?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

(a) No, Sir.

(b) to (d) Detailed status of disinvestment, bids received and amounts to be received in respect of the hotels of India Tourism Development Corporation Ltd. (ITDC) at Delhi is indicated in the Annexure.

Annexure

Annexure to the reply to parts (b) to (d) of the Lok Sabha Unstarred Question No. 640 for 05.03.2002 regarding `ITDC Hotels in Delhi` by Shri Brahma Nand Mandal, Shri C. Sreenivasan and Shri Ambareesha

1.The status of disinvestment in respect of the ITDC hotels at Delhi is as under:

1st Tranche

Hotel	Status
Ashok Hotel New Delhi (Lease-cum-Management Contract)	Advertisement inviting Expressions of Interest for Lease-cum Management Contract for Ashok Hotel, New Delhi was issued in December 2000 alongwith other hotels in the 1st tranche. Financial Bids from the shortlisted Qualified Interested Parties (QIPs) were invited in November 2001. But no compliant bid was received. Bids were re-invited from the existing QIPs again in January 2002 and there was no bidder for this Hotel even in the second round of bidding. Decision has been taken to invite fresh Expressions of Interest through advertisement after analysis of the probable reasons behind lack of bidders` response and sorting out the issues, if any.

2nd Tranche

Hotel Kanishka & Hotel Indraprastha

(Ashok Yatri Niwas), New Delhi(Sale of 100% shareholding of the Government) Hotel Kanishka and Hotel Indraprastha, New Delhi were taken up together for the purpose of disinvestment transaction, as the land area/building of the two hotels are inseparable. Both the hotels are located on the same piece of land allotted by the L&DO and there are common facilities like car parking, AC plant and DG sets. Moreover, certain constructions would need to be demolished for separating the properties as otherwise the buildings will be treated as unauthorised. Advertisement inviting Expressions of Interest from the prospective bidders was issued in February 2001 alongwith other hotels in the 2nd tranche. Financial Bids from the shortlisted Qualified Interested Parties (QIPs) were invited in January 2002. There was no compliant bid. Decision has been taken to invite fresh Expressions of Interest through advertisement after analysis of the probable reasons behind lack of bidders` response and sorting out the issues, if any.

Hotel Janpath, New Delhi Advertisement inviting Expressions of Interest from the prospective bidders was issued in February 2001 alongwith other hotels in the 2nd tranche. Financial Bids from the shortlisted Qualified Interested Parties (QIPs) were invited in January 2002. There was no compliant bid. Decision has been taken to invite fresh Expressions of Interest through advertisement after analysis of the probable reasons behind lack of bidders` response and sorting out the issues, if any.

Hotel Ranjit, New Delhi Advertisement inviting Expressions of Interest from the prospective bidders was issued in February 2001 alongwith other hotels in the 2nd tranche. Financial Bids from the shortlisted Qualified Interested Parties (QIPs) were invited in January 2002. There was no bidder. Decision has been taken to invite fresh Expressions of Interest through advertisement after analysis of the probable reasons behind lack of bidders` response and sorting out the issues, if any.

Samrat Hotel, New Delhi (Lease-cum-Management Contract) Advertisement inviting Expressions of Interest from the prospective bidders was issued in February 2001 alongwith other hotels in the 2nd tranche. Financial bid for this hotel has not yet been invited. Decision has been taken to invite fresh Expressions of Interest (EOIs) through re-advertisement. Bids will be invited from the existing Qualified Interested Parties as well as the new qualified parties who would be submitting their EOIs against fresh advertisement.

Lodhi Hotel, New Delhi Advertisement inviting Expressions of Interest from the prospective bidders was issued in February 2001 alongwith other hotels in the 2nd tranche. Financial Bids from the shortlisted Qualified Interested Parties (QIPs) were invited in January 2002. Three compliant bids were received. The Government has accepted the bid of M/s Silverlink Holdings Ltd. & Consortium for Rs. 76,22,01,925.00. Transaction yet to be completed.

Qutab Hotel, New Delhi Advertisement inviting Expressions of Interest from the prospective bidders was issued in February 2001 alongwith other hotels in the 2nd tranche. Financial Bids from the shortlisted Qualified Interested Parties (QIPs) were invited in January 2002. Two compliant bids were received. The Government has accepted the bid of M/s Sushil Gupta & Consortium for Rs. 35,67,54,179.00. Transaction yet to be completed.

2. The amounts to be realised by the Government/MCD/ L&DO from the sale of shares of Qutab Hotel and Lodhi Hotel are as under:-

Realisation to: -	Qutab Hotel (Rs. crores)	Lodhi Hotel (Rs. crores)
Government for 89.97% equity	10.99	40.28
MCD (on account of outstanding property taxes and service charges)	16.14	1.61
L&DO (towards half the unearned increase in the value of the leased land)	7.32	26.85
L&DO (towards damage charges and penalty for unauthorised construction)	-	3.00
Total	34.45++	71.74++

++ = [The value of 10% share capital to be realised by the Indian Hotel Company Limited (Rs.1,22,06,607.00 for Qutab Hotel and Rs.4,47,58,629.00 for Lodhi Hotel) have not been included in the above]

Besides the above realisations, the L&DO will receive Annual Rent and Security Deposit as under: -

(a) Qutab Hotel Annual rent@2 2.5% of value assigned to Land (rent to increase by 30% every 10 years) Rs.36,61,875/-

Interest free refundable security deposit equivalent to 3 years rent (deposit to increase by 30% every 10 years) Rs.1,09,85,625/-

(b) Lodhi Hotel Annual rent @ 2.5% of value assigned to Land (rent to increase by 30% every 10 years) 1,34,27,196/-

Interest free refundable security deposit equivalent to 3 years rent (deposit to increase by 30% every 10 years) 4,02,81,588/-